



Registered No: 5027024

British Nuclear Fuels Limited
Annual Report and Financial
Statements

31 March 2023

THURSDAY



ACVXM8CA

A6

01/02/2024

#176

COMPANIES HOUSE

Contents

	Page
Company information	1
Strategic report	2
Directors' report	3
Directors' responsibilities statement	5
Independent auditor's report to the members of British Nuclear Fuels Limited	6
Group statement of comprehensive income	9
Group statement of changes in equity	10
Company statement of changes in equity	10
Group statement of financial position	11
Company statement of financial position	12
Group statement of cash flows	13
Company statement of cash flows	14
Notes to the Group financial statements	15

Company information

Registered No: 5027024

Directors

H Robson
D Burke (resigned 20 July 2023)
S Bowen (appointed 29 March 2023)
G Parry-Jones (appointed 1 May 2023)
J Staples (appointed 31 August 2023)
M Russell (appointed 3 November 2023)
T Stone (appointed 3 November 2023)
S Jee (appointed 3 November 2023)

Auditors

Ernst & Young LLP
1 Bridgewater Place
Water Lane
Leeds
LS11 5QR

Bankers

NatWest
19 Market Street
Manchester
M1 1WR

Registered Office

Department for Energy Security & Net Zero
3-8 Whitehall Place
London
England
SW1A 2EG

Strategic report

The Directors present their strategic report for the financial period ended 31 March 2023.

Results and dividends

The Group generated a profit before taxation, which is considered the Company and Group's only KPI, of £5,168,000 for the nine months ending 31 March 2023 (year ending 30 June 2022: profit of £624,000). The Company did not declare any dividends during the period or since the period end.

Principal activities and review of the business

At the year end, the Company was the ultimate Parent Company of the BNFL Group of companies (the "Group"). During the current and prior period, the Company and the Group had no trading activity. Subsequent to the period end, the Company is being repurposed by The Department for Energy Security & Net Zero ("DESNZ") as the arms-length body that Great British Nuclear ("GBN") is currently operating through.

The profit before taxation predominantly relates to interest receivable on bank deposits of £4,999,000. The increase in the amount of interest received, (£4,999,000 in 2023 compared to £624,000 in 2022) is due to a rise in interest rates during the year. The Bank of England base rate was subject to a number of interest rate rises during the period from a rate of 1.25% at 1 July 2022 to 4.25% in March 2023. The increase in the Bank of England base rate was in response to concerns regarding inflation.


Principal risks and uncertainties

The key principal risks and uncertainties pertaining the Group and Company relates to liquidity and interest rate risk management. The approach to managing these risks are outlined in Note 13 of the financial statements.

The financial resources available to the Group on 31 March 2023 were £342,583,000 (30 June 2022: £338,946,000). The Group's investment policy is to hold funds in bank deposits and money funds which are less vulnerable to market variations. Liquidity is managed via short to medium term deposits in the money market with highly rated banks. At 31 March 2023 the Group continued to have a significant amount of its funds (£250,000,000 (30 June 2022: £250,000,000)) invested with the Debt Management Office at HM Treasury. The remainder of the Group's funds continue to be held with its primary banker NatWest. The risk to those funds is considered to be low. Management routinely reviews the investment policy of its funds.

The Group had no loans outstanding at the year-end or at the previous year end. Details on the Group's exposure to interest rate risks are detailed in note 13 to the financial statements on page 24.

By order of the Board

DocuSigned by:

33789DFA4065488...
H Robson

Director

30 January 2024

Directors' report

The directors present their report and financial statements for the period ended 31 March 2023.

These financial statements are prepared in accordance with applicable United Kingdom law and UK adopted International Accounting Standards and have been prepared on a going concern basis. Full disclosure surrounding the preparation of the financial statements can be found in note 2a to the financial statements. Certain information required in the Directors' report has been presented in the Strategic report on page 2.

Directors of the Company

The directors who held office during the period were as follows:

H Robson

R Nourse (resigned 13 January 2023)

D Burke (appointed 13 January 2023; resigned 20 July 2023)

S Bowen (appointed 29 March 2023)

Going Concern

On 18 July 2023 the (then) Secretary of State for Energy Security & Net Zero announced that the Government had set up Great British Nuclear ("GBN") to deliver the Government's long-term nuclear program, driving forward nuclear projects in the UK. On 26 October 2023, the Energy Act 2023 gained Royal Assent. The Act gives powers to the Secretary of State to designate a Company as Great British Nuclear, and states that Great British Nuclear's objects are to facilitate the design, construction, commissioning and operation of nuclear energy generation projects for the purpose of furthering any policies published by His Majesty's government.

British Nuclear Fuels Limited has been repurposed by The Department for Energy Security & Net Zero ("DESNZ") as the arms-length body that GBN is currently operating through. At the date of signing the financial statements, the Company has received notice from the Secretary of State that she has exercised her powers under the Energy Act 2023 to designate the Company as Great British Nuclear with effect from 31 January 2024. The Company will change its name from British Nuclear Fuels Limited to "Great British Nuclear" thereafter.

Whilst there is a degree of uncertainty at the date of signing these accounts, as the amount of funding for the period 1 April 2024 to 31 March 2025 has not been formally approved by DESNZ, the Directors believe that it is appropriate that these financial statements should reflect the new status of the Company and they are therefore prepared on a going concern basis as set out in note 2a to the financial statements.

In the prior year the financial statements were prepared on a basis other than going concern on the basis that it was unclear if there was a future need to maintain the BNFL companies. As a result of this change in basis of preparation a provision of £169,000 has been released which was recorded in the prior year to cover future running costs of the business. As the entity is expected to continue to operate up to 31 March 2025, this provision is no longer required.

Directors' report (*continued*)

Important events after the reporting period

Transfer of subsidiaries

On 25 January 2024, the Company transferred:

1. its entire shareholding in its wholly-owned subsidiary British Nuclear Group Limited (company number: 05245506) to the Secretary of State for Energy Security & Net Zero; and
2. its entire shareholding in its wholly-owned subsidiary BNFL (Investments US) Limited (company number 04394408) to British Nuclear Group Limited.

Each share transfer was transacted for a consideration of £1 (one pound). The Company therefore ceased to have any subsidiaries with effect from the completion of these transfers on 25 January 2024.


Directors' and officers' liability insurance

The Company maintains directors' and officers' liability insurance covering the defence costs of civil legal proceedings and the damages resulting from the unsuccessful defence of such proceedings except, in each case, to the extent that a director or officer acted fraudulently or dishonestly.

Directors' statement as to disclosure of information to auditors

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information, being information needed by the auditor in connection with preparing its report, of which the auditor is unaware. Having made enquiries of fellow directors and the Company's auditor, each director has taken all the steps that he is obliged to take as a director in order to make himself aware of any relevant audit information and to establish that the auditor is aware of that information.

By order of the board

DocuSigned by:

33760DFA4065488...
H Robson

Director
30 January 2024

Directors' responsibilities statement

The directors are responsible for preparing the Annual Report and the Group financial statements in accordance with applicable United Kingdom law and UK adopted International Accounting Standards.

Under Company Law the directors must not approve the Group and Company financial statements unless they are satisfied that they present fairly the financial position, financial performance and cash flows of the Group and Company for that period. In preparing the Group and Company financial statements the directors are required to:

- select suitable accounting policies and then apply them consistently;
- present information, including accounting policies, in a manner that provides relevant, reliable, comparable and understandable information;
- provide additional disclosures when compliance with the specific requirements in UK adopted International Accounting Standards is insufficient to enable users to understand the impact of particular transactions, other events and conditions on the Group's and Company's financial position and financial performance;
- state that the Group and Company has complied with UK adopted International Accounting Standards;
- prepare financial statements on the going concern basis unless it is inappropriate to presume that the Group and Company will continue in business; and
- make judgements and estimates that are reasonable and prudent.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the Group and Company financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Independent auditor's report to the members of British Nuclear Fuels Limited

Opinion

We have audited the financial statements of British Nuclear Fuels Limited ('the Parent Company') and its subsidiaries (the 'Group') for the period ended 31 March 2023 which comprise Group and Parent Company statement of financial position, Group and Parent Company statement of cash flows, Group statement of comprehensive income, Group and Parent statement of changes in equity and the related notes 1 to 17, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Accounting Standards and as regards the Parent Company financial statements, as applied in accordance with section 408 of the Companies Act 2006.

In our opinion:

- the financial statements give a true and fair view of the Group's and of the Parent Company's affairs as at 31 March 2023 and of the Group's profit for the period then ended;
- the Group financial statements have been properly prepared in accordance with UK adopted International Accounting Standards;
- the Parent Company financial statements have been properly prepared in accordance with UK adopted International Accounting Standards as applied in accordance with section 408 of the Companies Act 2006; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard and we have fulfilled our other ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Material uncertainty in relation to going concern

We draw attention to note 2a in the financial statements, which indicates that the directors consider there to be a material uncertainty at the date of signing these financial statements in respect of approval for funding for the period 1 April 2024 to 31 March 2025 that BNFL has requested from the Department for Energy Security & Net Zero. As stated in note 2a, these events or conditions, along with the other matters as set forth in note 2a, indicate that a material uncertainty exists that may cast significant doubt on the Group and Parent Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

In auditing the financial statements, we have concluded that the directors use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the Group and Parent Company's ability to continue as a going concern.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Independent auditors' report to the members of British Nuclear Fuels Limited (*continued*)

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial period for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and the Parent Company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the Parent Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the Parent Company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Independent auditors' report to the members of British Nuclear Fuels Limited (*continued*)

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

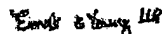
Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below. However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the Group and Parent Company and determined that the most significant are those relating to the reporting framework (UK adopted International Accounting Standards), the Companies Act 2006, and the relevant tax legislations and regulations in the UK.
- We understood how the Group and Parent Company is complying with those frameworks by making enquiries of management and corroborating these enquiries through review of board minutes and understanding the entity level control framework in place, such as code of conduct and Directors' governance procedures.
- We assessed the susceptibility of the Group and Parent Company's financial statements to material misstatement, including how fraud might occur by considering the risk of management override based on our risk assessment and enquiries of management.
- Based on this understanding we designed our audit procedures to identify noncompliance with such laws and regulations. Our procedures involved testing journals identified by specific risk criteria, reading minutes of board meetings held in the period, and corroborating our findings to external sources of information where relevant.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DS


Cara Clancy (Senior statutory auditor)

for and on behalf of Ernst & Young LLP, Statutory Auditor
Leeds

30 January 2024

British Nuclear Fuels Limited
Group statement of comprehensive income

		Period ended 31-Mar 2023 £'000	Year ended 30-Jun 2022 £'000
	Note		
Revenue		-	-
Operating costs and expenses	3	169	-
Operating profit		169	-
Finance income	6	4,999	624
Profit before income tax		5,168	624
Income tax expense	7	(110)	(119)
Profit for the period		5,058	505
Profit for the period		5,058	505
		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		5,058	505

The group statement of comprehensive income has been prepared on a going concern basis for the period ended 31 March 2023 and as such the operations are considered to be continuing in respect of that period. In the prior year the Group statement of comprehensive income was prepared on a basis other than going concern and as such the operations were considered to be discontinued.

British Nuclear Fuels Limited
Group statement of changes in equity

	Equity share capital £'000	Retained earnings £'000	Total equity £'000
At 30 June 2021 (restated) (i)	50	337,382	337,432
Profit for the year	-	505	505
Total comprehensive income for the year	-	505	505
At 30 June 2022	50	337,887	337,937
Profit for the period	-	5,058	5,058
Total comprehensive income for the period	-	5,058	5,058
At 31 March 2023	50	342,945	342,995

Company statement of changes in equity

	Equity share capital £'000	Retained earnings £'000	Total equity £'000
At 30 June 2021 (restated) (i)	50	337,382	337,432
Profit for the year	-	505	505
Total comprehensive income for the year	-	505	505
At 30 June 2022	50	337,887	337,937
Profit for the period	-	5,058	5,058
Total comprehensive income for the period	-	5,058	5,058
At 31 March 2023	50	342,945	342,995

(i) Provisions have been restated as at 30 June 2021 to reflect the release of a provision of £11,371,000 as at 1 July 2020. Further details are disclosed in note 12. A corporation tax liability of £800,000 has been provided in respect of the release of this provision.

British Nuclear Fuels Limited
Group statement of financial position

Registered No: 5027024

		31-Mar 2023	30-Jun 2022
	Note	£'000	£'000
ASSETS			
Current assets			
Investments	8	-	-
Trade and other receivables	9	547	185
Cash and cash equivalents	10	342,583	338,946
Total assets		343,130	339,131
LIABILITIES			
Current liabilities			
Trade and other payables	11	135	944
Provisions	12	-	250
Total liabilities		135	1,194
Net assets		342,995	337,937
Capital and reserves attributable to equity holders			
Equity share capital	14	50	50
Retained earnings	15	342,945	337,887
Total equity		342,995	337,937

These financial statements were approved by the board on 30 January 2024 and were signed on their behalf by:

DocuSigned by:

 337900DFA4055486...
 H Robson
 Director

British Nuclear Fuels Limited
Company statement of financial position

Registered No: 5027024

		31-Mar 2023	30-Jun 2022
	Note	£'000	£'000
ASSETS			
Current assets			
Investments	8	-	432,271
Trade and other receivables	9	547	185
Cash and cash equivalents	10	342,583	338,946
Total assets		343,130	771,402
LIABILITIES			
Current liabilities			
Trade and other payables	11	135	433,215
Provisions	12	-	250
Total liabilities		135	433,465
Net assets		342,995	337,937
Capital and reserves attributable to equity holders			
Equity share capital	14	50	50
Retained earnings	15	342,945	337,887
Total equity		342,995	337,937

These financial statements were approved by the board on 30 January 2024 and were signed on their behalf by:

DocuSigned by:

 33790DFA4065486...
 H Robson
 Director

British Nuclear Fuels Limited
Group statement of cash flows

		31-Mar 2023 £'000	30-Jun 2022 £'000
	Note		
Cash flows from operating activities			
Profit for the period		5,058	505
<i>Adjustments to reconcile profit for the period to net cash outflow from operating activities</i>			
Tax on discontinued operations	7	110	119
Net finance income		(4,648)	(471)
Increase in trade and other receivables		(362)	(153)
Increase in trade and other payables		-	1
Movement in provisions		(250)	(68)
Cash outflow from operations		(92)	(67)
Income taxes paid		(919)	(9)
Net cash outflow from operating activities		(1,011)	(76)
Cash flows from investing activities			
Interest received		4,648	471
Net cash inflow from investing activities		4,648	471
Net increase in cash and cash equivalents		3,637	395
Cash and cash equivalents at beginning of period	10	338,946	338,551
Cash and cash equivalents at end of period	10	342,583	338,946

British Nuclear Fuels Limited
Company statement of cash flows

		31-Mar 2023	30-Jun 2022
	Note	£'000	£'000
Cash flows from operating activities			
Profit for the period		5,058	505
<i>Adjustments to reconcile profit for the period to net cash outflow from operating activities</i>			
Tax on discontinued operations	7	110	119
Net finance income		(4,648)	(471)
Increase in trade and other receivables		(362)	(153)
Increase in trade and other payables		-	1
Movement in provisions		(250)	(68)
Cash outflow from operations		(92)	(67)
Income taxes paid		(919)	(9)
Net cash outflow from operating activities		(1,011)	(76)
Cash flows from investing activities			
Interest received		4,648	471
Net cash from investing activities		4,648	471
Net (decrease)/increase in cash and cash equivalents		3,637	395
Cash and cash equivalents at beginning of period	10	338,946	338,551
Cash and cash equivalents at end of period	10	342,583	338,946

British Nuclear Fuels Limited
Notes to the Group financial statements
Period ended 31 March 2023

1. Statutory information, authorisation of financial statements and statement of compliance with IFRSs

British Nuclear Fuels Limited is a private company, limited by shares, domiciled in England and Wales, registration number 5027024. The registered office is Department for Energy Security & Net Zero, 3-8 Whitehall Place, London, SW1A 2EG.

British Nuclear Fuels Limited has changed its accounting period from 30 June to 31 March. Its then subsidiaries have also changed their accounting periods to align with the Parent entity. The financial statements for the year ended 30 June 2022 were for a period of one year. The financial statements for the period ended 31 March 2023 are for a period of nine months. The Group has changed its accounting reference period to align with that of the Company's ultimate controlling party, His Majesty's Government.

The financial statements of British Nuclear Fuels Limited (BNFL) and its then subsidiaries (the "Group") for the period ended 31 March 2023 were authorised for issue by the board of directors and the statement of financial position was signed on the board's behalf by Hugo Robson. British Nuclear Fuels Limited is a private limited company incorporated and domiciled in England and Wales.

The Group's financial statements have been prepared in accordance with UK adopted International Accounting Standards and as regards the Parent Company financial statements, as applied in accordance with section 408 of the Companies Act 2006 for the period ended 31 March 2023.

The principal accounting policies adopted by the Group are set out in note 2.

2. Accounting policies

a. Basis of preparation

These financial statements have been prepared under the historical cost convention.

The Group's financial statements have been prepared in accordance with UK adopted International Accounting Standards and as regards the Parent Company financial statements, as applied in accordance with section 408 of the Companies Act 2006 for the period ended 31 March 2023. The accounting policies which follow set out those policies which apply in preparing the financial statements for the period ended 31 March 2023.

The Group financial statements are presented in Sterling and all values are rounded to the nearest thousand pounds (£'000) except when otherwise indicated.

The directors are required to satisfy themselves that it is appropriate to prepare financial statements on a going concern basis.

On 18 July 2023 the (then) Secretary of State for Energy Security & Net Zero ("DESNZ") announced that the Government had set up Great British Nuclear ("GBN") to deliver the Government's long-term nuclear program, driving forward nuclear projects in the UK. On 26 October 2023, the Energy Act 2023 gained Royal Assent. The Act gives powers to the Secretary of State to designate a Company as Great British Nuclear, and states that Great British Nuclear's objects are to facilitate the design, construction, commissioning and operation of nuclear energy generation projects for the purpose of furthering any policies published by His Majesty's government.

British Nuclear Fuels Limited has been repurposed by DESNZ as the arms-length body that GBN is currently operating through. At the date of signing the financial statements, the Company has received notice from the Secretary of State that she has exercised her powers under the Energy Act 2023 to designate the Company as Great British Nuclear with effect from 31 January 2024. The Company will change its name from British Nuclear Fuels Limited to "Great British Nuclear" thereafter.

British Nuclear Fuels Limited

Notes to the Group financial statements (*continued*) **Period ended 31 March 2023**

2. Accounting policies (*continued*)

a. Basis of preparation (*continued*)

The directors are satisfied that the range of funding amounts under discussion with the DESNZ would be sufficient to allow GBN to meet its forecast operational expenditure for the financial year 1 April 2024 to 31 March 2025. The directors expect that at a minimum GBN will receive approval from DESNZ for 80% of the funding amount requested which would be sufficient to continue to operate as a going concern. The full amount requested is to optimise the Company's ability to adapt to the demands of the small modular reactor ("SMR") programme, and additional business cases would be submitted in due course to support requests for further funding. Any operational expenditure will be phased to match the funding amounts agreed with DESNZ. However, at the time of signing the financial statements, the amount of funding to be received has not been formally approved by DESNZ, and as such there is an uncertainty around how much funding GBN will ultimately receive.

When considering the above factors, the Directors believe that it is appropriate that these financial statements should reflect the new status of the Company and they are therefore prepared on a going concern basis. This is on the basis that the Directors expect the entity to continue to operate up to 31 March 2025. However, the directors acknowledge that there is a material uncertainty which may cast significant doubt on the Group's and Company's ability to continue as a going concern on the basis that the amount of funding for the period 1 April 2024 to 31 March 2025 has not been approved by DESNZ at the time of signing these financial statements. The financial statements do not contain the adjustments that would result if the Company were unable to continue as a going concern.

In the prior year the financial statements were prepared on a basis other than going concern on the basis that it was unclear if there was a future need to maintain the BNFL companies. As a result of this change in basis of preparation a provision of £169,000 has been released which was recorded in the prior year to cover future running costs of the business. As the entity is expected to continue to operate up to 31 March 2025, this provision is no longer required.

A separate income statement for the Parent Company has not been presented as permitted by section 408(3) of the Companies Act 2006. The Parent Company generated a profit after taxation of £5,058,000 for the nine-month period ended 31 March 2023 (year ended 30 June 2022: profit of £505,000).

b. Changes in accounting policy and disclosure

There have been no new standards, amendments or interpretations issued and made effective for the financial period commencing 1 July 2022 that have had a material impact on the financial statements of the Group.

British Nuclear Fuels Limited

Notes to the Group financial statements (*continued*) Period ended 31 March 2023

2. Accounting policies (*continued*)

c. New standards and interpretations not applied

The IASB and IFRIC have issued a number of new standards and interpretations with an effective date after the date of these financial statements. The Directors do not anticipate that the adoption of these standards and interpretations will have a material impact on the Group's and Company's financial statements in the period of initial application. The standards not applied are as follows:

Title	Effective date annual periods beginning on or after
Effective for annual periods (and interim periods therein) ending 31 March 2023 and thereafter	
<i>IFRS 17 Insurance Contracts</i>	1 January 2023
<i>Definition of Accounting Estimates – Amendments to IAS 8</i>	1 January 2023
<i>Accounting Policies – Amendments to IAS1 and IFRS Practice Statement 2</i>	1 January 2023
<i>Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction – Amendments to IAS 12 Income Taxes</i>	1 January 2023
<i>Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendments to IFRS 17)</i>	1 January 2023
<i>Classification of liabilities as current or non-current (Amendments to IAS 1)</i>	1 January 2024
<i>Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)</i>	1 January 2024
<i>Non-current Liabilities with Covenants (Amendments to IAS 1)</i>	1 January 2024
<i>Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Optional

The effective dates stated above are those given in the original IASB/IFRIC standards and interpretations. As the Group prepares its financial statements in accordance with UK adopted International Accounting Standards as applied in accordance with section 408 of the Companies Act 2006, the application of new standards and interpretations will be subject to them having been endorsed for use in the UK. In the majority of cases this will result in an effective date consistent with that given in the original standard or interpretation but the need for endorsement restricts the Group's discretion to early adopt standards. The Group has not early adopted any of the above standards.

The standards and interpretations noted in the table above are not expected to have any impact on the financial position or performance of the Group but in some cases may have an impact on the disclosure requirements of the Group.

d. Significant judgements and estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the end of the reporting date and the amounts reported for revenues and expenses during the period. However, the nature of estimation means that actual outcomes could differ from those estimates. It also requires management to exercise judgement in the process of applying the Group's accounting policies. The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting date that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year relate to provisions held in respect of future potential claims arising from business disposals.

Provisions held in respect of future potential claims arising from business disposals have been provided for based on management's best estimates of the liabilities. The Group no longer has any actual liabilities of this nature.

e. Basis of consolidation

The Group financial statements consolidate the financial statements of BNFL and the entities it controlled (its subsidiaries) drawn up to 31 March (2022: 30 June).

Subsidiaries are consolidated from the date of their acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting year as the Parent Company and are based on consistent accounting policies. All intragroup balances and transactions, including unrealised profits arising from them, are eliminated.

British Nuclear Fuels Limited

Notes to the Group financial statements (*continued*) **Period ended 31 March 2023**

2. Accounting policies (*continued*)

f. Provisions

A provision is recognised when the Group has a legal or constructive obligation as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect is material, expected future cash flows are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability.

As disclosed in note 2a the Group and Company has changed the basis of preparation of the financial statements for period ended 31 March 2023 to a going concern basis. In the prior year the financial statements were prepared on a basis other than going concern. The financial statement were first prepared on a basis other than going concern for the year ended 31 March 2008 when all expected future operating costs, including employee severance terms and provisions for future operating losses, were provided for in full where they were not recoverable through applicable revenue streams.

Where discounting is used, the increase in the provision due to unwinding the discount is recognised as a finance cost.

g. Investments

Investments comprise investments in and loans to subsidiaries. The carrying values of investments are reviewed for impairment if events or changes in circumstances indicate that a provision for impairment is required.

h. Trade and other receivables

Trade receivables are recognised and carried at the lower of their original invoiced value and recoverable amount. Where the time value of money is material, receivables are carried at amortised cost. Provision is made when there is objective evidence that the Group will not be able to recover balances in full. Balances are written off when the probability of recovery is assessed as being remote.

i. Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and in hand and short-term deposits with an original maturity of three months or less. For the purpose of the consolidated cash flow statement, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

j. Income taxes

Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

k. Trade and other payables

Trade and other payables are not interest bearing and are stated at their nominal value.

British Nuclear Fuels Limited
Notes to the Group financial statements (continued)
Period ended 31 March 2023

Notes 3 to 7 all relate to discontinued operations.

3 Group operating profit

	Period ended 31-Mar 2023 £'000	Year ended 30-Jun 2022 £'000
Release of provision	169	-

4 Auditors' remuneration

The Group paid the following amounts to its auditors (disclosed below net of VAT) in respect of the audit of the financial statements and for other services provided to the Group.

	Period ended 31-Mar 2023 £'000	Year ended 30-Jun 2022 £'000
Audit of the group financial statements	10	10
Other fees to auditors		
- auditing the accounts of subsidiaries	9	9
	19	19

During the period £19,000 of provisions (2022: £19,000) were utilised against the auditor's remuneration costs. As a result there are no expenses charged against the operating profit for the period (2022: £nil).

5 Staff costs and directors' emoluments

a Staff costs

There were no employees during the current or prior period.

b Directors' emoluments

The Directors did not receive any remuneration in respect of qualifying services as directors of the Group (30 June 2022: £nil). There were no directors accruing benefits under defined benefit schemes at 31 March 2023 (30 June 2022: nil).

6 Finance income

	Period ended 31-Mar 2023 £'000	Year ended 30-Jun 2022 £'000
Interest on bank and short-term deposits	4,999	624

British Nuclear Fuels Limited
Notes to the Group financial statements (continued)
Period ended 31 March 2023

7 Taxation

a Tax charged in the income statement

	Period ended 31-Mar 2023 £'000	Year ended 30-Jun 2022 £'000
Income statement		
Current income tax:		
UK corporation tax	110	119
Total current income tax	110	119
Tax charged in the income statement	110	119

b Reconciliation of the total tax charge

The income tax expense in the income statement for the year is less than the average rate of corporation tax in the UK of 19% (2022: same as the average rate of corporation tax in the UK of 19%). The differences are reconciled below:

	Period ended 31-Mar 2023 £000	Year ended 30-Jun 2022 £000
Profit from discontinued operations before taxation	5,168	624
Accounting profit before income tax	5,168	624
Accounting profit multiplied by the UK standard rate of corporation tax of 19% (2022: 19%)	982	119
Release of provision	(32)	-
Utilisation of provision costs	(15)	-
Over provision of income tax in respect of prior years	(825)	-
	110	119

c Unrecognised tax losses

When the last employee left the group on 30 September 2009 the Company ceased to trade for tax purposes. At this date the Group had tax losses which arose in the UK of £1.4 million which ceased to be available for offset against future tax profits of the Group.

d Deferred tax

As the Group ceased to trade on 30 September 2009, no deferred tax balances arise at 31 March 2023 (30 June 2022: nil). An unrecognised deferred tax asset of £14.7 million existed at 31 March 2009 with the majority of the balance relating to taxable temporary differences of £50.3 million in respect of future cost of the Group as it winds down its activities. A deferred tax asset was not provided at 31 March 2009 or thereafter as it was considered unlikely that the Group would have enough future taxable profits in excess of the reversal of taxable temporary differences.

e Future changes in the corporation tax rate

The government announced legislation setting the Corporation Tax main rate at 19% for the year starting 1 April 2022 and rise to 25% from 1 April 2023.

British Nuclear Fuels Limited

Notes to the Group financial statements (continued)

Period ended 31 March 2023

8 Investments

a Summary

	Group		Company	
	31-Mar-23	30-Jun-22	31-Mar-23	30-Jun-22
	£'000	£'000	£'000	£'000
Subsidiary undertakings (note 8b)	-	-	-	432,271

b Subsidiary undertakings

	Group		Company	
	Cost	Amounts provided	Net book value	
	£'000	£'000	£'000	£'000
At 1 July 2022	432,354	(83)	432,271	
Share capital reduction by subsidiaries	(432,354)	83	(432,271)	
At 31 March 2023	-	-	-	

Amounts owed to Group undertakings within Company payables includes a loan from BNFL (Investments US) Limited of £1 (30 June 2022: £432,246,000).

c The principal undertakings in which the Group's interest at the period end is more than 20% are as follows:

	Country of incorporation	Principal activity	Class and percentage of share held by Group
Principal subsidiary undertakings			
British Nuclear Group Limited *	England	Dormant	100% ordinary shares
BNFL (Investments US) Limited *	England	Dormant	100% ordinary shares

* The registered office is the same as the Parent entity as shown in note 1.

9 Trade and other receivables

	Group		Company	
	31-Mar-23	30-Jun-22	31-Mar-23	30-Jun-22
	£'000	£'000	£'000	£'000
Prepayments and accrued income	547	185	547	185

10 Cash and cash equivalents

	Group		Company	
	31-Mar-23	30-Jun-22	31-Mar-23	30-Jun-22
	£'000	£'000	£'000	£'000
Cash at bank and in hand	92,583	88,946	92,583	88,946
Short-term deposits	250,000	250,000	250,000	250,000
	342,583	338,946	342,583	338,946

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are held with the UK Governments Debt Management Office (DMO) and are generally made for a period of between one and three months and earn interest at a fixed rate.

The Group's investment policy is to hold funds in bank deposits and money funds which are less vulnerable to market variations. Liquidity is managed via short to medium term deposits in the money market with highly rated banks and the DMO.

British Nuclear Fuels Limited

Notes to the Group financial statements (continued)

Period ended 31 March 2023

11 Trade and other payables

	Group		Company	
	31-Mar-23	30-Jun-22	31-Mar-23	30-Jun-22
	£'000	£'000	£'000	£'000
Corporation tax payable	110	919	110	919
Accruals	25	25	25	25
Amounts due to related parties	-	-	-	432,271
	135	944	135	433,215

12 Provisions

	Total
Group	£'000
Balance at 1 July 2022 - current	250
Utilised	(81)
Release of provision	(169)
Balance at 31 March 2023 - current	-
Company	Total
	£'000
Balance at 1 July 2022 - current	250
Utilised	(81)
Release of provision	(169)
Balance at 31 March 2023 - current	-

£81,000 of the provision was utilised (2022: £68,000) during the period in respect of the administrative costs of running the Company. As disclosed in note 2a, the financial statements for the period ended 31 March 2023 have been prepared on a going concern basis with material uncertainty and, as a result of this change in basis of preparation, the remaining provision of £169,000 held in respect of the future running costs has been released in the period.

British Nuclear Fuels Limited

Notes to the Group financial statements (continued)

Period ended 31 March 2023

13 Financial assets, liabilities and instruments

Set out below is a comparison by category of carrying amounts and fair values of all of the Group's and Company financial instruments, including those classified under discontinued operations, that are carried in the financial statements.

Group				31-Mar-23
	Loans and receivables £'000	Amortised cost £'000	Total book value £'000	Fair value £'000
Financial assets				
Trade and other receivables	547	-	547	547
Cash	342,583	-	342,583	342,583
Financial liabilities				
Trade and other payables	-	(135)	(135)	(135)
	343,130	(135)	342,995	342,995
<hr/>				
Group				30-Jun-22
	Loans and receivables £'000	Amortised cost £'000	Total book value £'000	Fair value £'000
Financial assets				
Trade and other receivables	185	-	185	185
Cash	338,946	-	338,946	338,946
Financial liabilities				
Trade and other payables	-	(944)	(944)	(944)
	339,131	(944)	338,187	338,187
<hr/>				
Company				31-Mar-23
	Loans and receivables £'000	Amortised cost £'000	Total book value £'000	Fair value £'000
Financial assets				
Trade and other receivables	547	-	547	547
Cash	342,583	-	342,583	342,583
Financial liabilities				
Trade and other payables	-	(135)	(135)	(135)
	343,130	(135)	342,995	342,995
<hr/>				
Company				30-Jun-22
	Loans and receivables £'000	Amortised cost £'000	Total book value £'000	Fair value £'000
Financial assets				
Trade and other receivables	185	-	185	185
Cash	338,946	-	338,946	338,946
Financial liabilities				
Trade and other payables	-	(433,215)	(433,215)	(433,215)
	339,131	(433,215)	(94,084)	(94,084)

The Group does not engage in speculative treasury arrangements, and all of its activities are designed to support underlying business activities. All treasury activities are carried out under policies approved by the Board.

British Nuclear Fuels Limited

Notes to the Group financial statements (continued)

Period ended 31 March 2023

13 Financial assets, liabilities and instruments (continued)

The Group and Company manages its financial risks as follows:

Interest rate risk

Cash at bank earns interest at floating rates based on daily bank deposit rates. Short-term deposits are held with the UK Government's Debt Management Office (DMO) and are generally made for a period of three months and earn interest at a fixed rate. If interest rates on cash and cash equivalents had been 25 bps higher, the Group's profit before tax for the period ended 31 March 2023 would have increased by £638,000 (year ended 30 June 2022: profit would have increased by £883,000). If interest rates had been 25 bps lower, the Group's profit before tax for the period ended 31 March 2023 would have decreased by £614,000 (year ended 30 June 2022: profit would have decreased by £624,000).

Liquidity risk

The Group forecasts, manages and reports its working capital requirements on a regular basis to ensure it has sufficient funds to meet all reasonably foreseeable liabilities as they fall due.

14 Called up share capital

	31-Mar-23 £'000	30-Jun-22 £'000
Allotted, called-up and fully-paid		
50,000 (2022: 50,000) ordinary shares of £1 each	50	50

15 Reconciliation of movements in equity

	Group			Company		
	Equity share capital £'000	Retained earnings £'000	Total £'000	Equity share capital £'000	Retained earnings £'000	Total £'000
At 30 June 2021 (i)	50	337,382	337,432	50	337,382	337,432
Total comprehensive profit for the year	-	505	505	-	505	505
At 30 June 2022	50	337,887	337,937	50	337,887	337,937
Total comprehensive profit for the year	-	5,058	5,058	-	5,058	5,058
At 31 March 2023	50	342,945	342,995	50	342,945	342,995

(i) Provisions have been restated as at 30 June 2021 to reflect the release of a provision of £11,371,000. A corporation tax liability of £800,000 was provided in respect of the release of this provision. Details of the restatement were disclosed in the accounts for the year ended 30 June 2022.

British Nuclear Fuels Limited

Notes to the Group financial statements (continued)

Period ended 31 March 2023

16 Other related party transactions

During the period the Group entered into transactions, in the ordinary course of business and on an arms length basis, with other related parties. Transactions entered into, and trading balances outstanding at 31 March and 30 June 2022 with other related parties are as follows:

					31-Mar-23
	Sales to	Purchases	Interest	Amounts	Amounts
	related	from	receivable	owed by	owed to
	party	related	from related	related	related
Related party	party	party	party	party	party
	£'000	£'000	£'000	£'000	£'000
Parent Company					
British Nuclear Group Limited	-	-	-	-	-
BNFL (Investments US) Limited	-	-	-	-	-
DMO	-	-	4,583	250,000	-
					30-Jun-22
	Sales to	Purchases	Interest	Amounts	Amounts
	related	from	receivable	owed by	owed to
	party	related	from related	related	related
Related party	party	party	party	party	party
	£'000	£'000	£'000	£'000	£'000
Parent Company					
British Nuclear Group Limited	-	-	-	-	(25)
BNFL (Investments US) Limited	-	-	-	-	(432,246)
DMO	-	-	596	250,000	-

The ultimate controlling party of the Company is considered by the directors to be His Majesty's Government.

Remuneration of key management and personnel

The remuneration of the Directors, who are the key management personnel of the Group is disclosed in note 5.

Directors' transactions

Other than as disclosed in note 5 there were no other transactions between the Directors and the Company.

17. Important events after the reporting period

Great British Nuclear

On 18 July 2023 the (then) Secretary of State for Energy Security & Net Zero announced that the Government had set up Great British Nuclear ("GBN") to deliver the Government's long-term nuclear program, driving forward nuclear projects in the UK. On 26 October 2023, the Energy Act 2023 gained Royal Assent. The Act gives powers to the Secretary of State to designate a Company as Great British Nuclear, and states that Great British Nuclear's objects are to facilitate the design, construction, commissioning and operation of nuclear energy generation projects for the purpose of furthering any policies published by His Majesty's government.

British Nuclear Fuels Limited has been repurposed by The Department for Energy Security & Net Zero ("DESNZ") as the arms-length body that GBN is currently operating through. At the date of signing the financial statements, the Company has received notice from the Secretary of State that she has exercised her powers under the Energy Act 2023 to designate the Company as Great British Nuclear with effect from 31 January 2024. The Company will change its name from British Nuclear Fuels Limited to "Great British Nuclear" thereafter.

Whilst there is a degree of uncertainty at the date of signing these accounts, as the amount of funding for the period 1 April 2024 to 31 March 2025 has not been formally approved by DESNZ, the Directors believe that it is appropriate that these financial statements should reflect the new status of the Company and they are therefore prepared on a going concern basis as set out in note 2a to the financial statements.

British Nuclear Fuels Limited

Notes to the Group financial statements (*continued*)

Period ended 31 March 2023

17 Important events after the reporting period (*continued*)

In the prior year the financial statements were prepared on a basis other than going concern on the basis that it was unclear if there was a future need to maintain the BNFL companies. As a result of this change in basis of preparation a provision of £169,000 has been released which was recorded in the prior year to cover future running costs of the business. As the entity is expected to continue to operate up to 31 March 2025, this provision is no longer required.

Transfer of subsidiaries

On 25 January 2024, the Company transferred:

1.its entire shareholding in its wholly-owned subsidiary British Nuclear Group Limited (company number: 05245506) to the Secretary of State for Energy Security & Net Zero; and

2.its entire shareholding in its wholly-owned subsidiary BNFL (Investments US) Limited (company number 04394408) to British Nuclear Group Limited.

Each share transfer was transacted for a consideration of £1 (one pound). The Company therefore ceased to have any subsidiaries with effect from the completion of these transfers on 25 January 2024.